

Appl No. 10/821,988  
Amdt. dated December 16, 2005  
Reply to Office Action of August 19, 2005

**Amendments to the Drawings:**

In the drawings: Please replace the drawing page with the enclosed formal drawing.

Attachment: Replacement Sheet

**REMARKS**

The examiner has rejected applicant's claims 106 as anticipated by Davis. Davis describes a secure messaging system using a particular transmission format. In Davis, a customer uses a financial messaging unit 906 (generally described as a paging unit and smart card) in a secure financial transaction (col. 17, lines 1-10). A transaction using such a device is described in general in figures 15 and 16, and described in Col. 21, line 25 – Col. 26, line 59.

The customer calls the bank or financial institution and requests the initiation of a financial transaction. The customer enters the account information, user id, and other relevant required data, which is sent to the bank. (Col 21, lines 59-65). The bank or regulator receives the information and verifies the account information, and approves or denies the requested transaction. Col 21, line 65- col 22 line 11 (for approval); Col. 22 line 13 – line 23 (for transaction denial). Upon approval, the transaction is complete by the bank or regulator sending a message (a secure transaction message) to be received by the customer's financial messaging unit 906 indicating funding the account, or loading of information onto a smart card. As described, the messaging unit 906 lies dormant until it receives and recognizes a selective call address 1404, indicating that the unit is in communication with a financial institution. Col 21, lines 25-40. The unit then determines if the bank or institution is a recognized bank with a user account. Col 21, lines 30-36. The unit then receives and decodes the financial information in the secured financial message. Col 21, lines 39- 43 (decoding is undertaken by a Smart Card function module 1014). Upon decoding, the unit will then execute instruction s relevant to the particular transaction. Col. 21 lines 50-55 (such as loading the Smart Card with a credit entry, etc).

Hence, the Davis disclosure deals with a user request for a financial transaction in the context of a financial institution transaction, using a smart card as the financial transaction instrument, with a pager as the communication instrument. Davis is specifically directed to a transaction between the user and a bank or other financial institution, requiring bank or financial institution approval of the transaction with financial information pertinent to the approved transaction sent to the message unit 906 for decoding. The Davis disclosure does indicate that the decoding algorithm used to secure the transaction can be used to decode information exchanges between a smart card and a merchant information (col 18, lines 12-15), but Davis does not describe use of the invention in a merchant transaction. Indeed, the Davis disclosure only mentions “merchant” in this single location. Davis is not directed to use of the device for merchant credit authorization.

This is very different from applicant’s claimed invention. Applicant’s invention deals with a system for facilitating transactions between a consumer and a supplier of goods and services, which transaction are to be authorized by a credit holder. However, in applicant’s invention, a “credit holder” is not a bank or other financial institution (the credit lender) but a bank customer or patron. The credit holder (bank customer) has a communications device for use in a transaction. See Page 3, paragraph 0005. The Credit holder uses the communication device to authorize a transaction.

Consider the following transaction: a customer (which can be the credit holder), initiates a transaction at a point of sale, such as a purchase of a book at a book merchant, using a smart card radio or other consumer communications device. Assume a smart card issued by Bank B to a person, the Credit Holder. Positioned between the merchant and the Credit Holder, is a

transaction approval device or the approval entity device (such as the issuing bank B computer or credit card processing company computer) (see page 4, paragraph 007, last three lines). The transaction approval device (bank B) receives the transaction information (request for authorization) from the merchant and forwards the request for authorization to the credit holder (the bank patron). The Credit Holder (bank patron) uses the communications device to inform the approval entity (Bank B) of his approval or denial, (note, the intermediary bank will usually have the ability to deny a transaction approved by the Credit Holder if the Credit Holder's credit is insufficient for the transaction at issue). Once the intermediary bank receives the credit holder's approval of the transaction, the intermediary bank sends approval/denial status to the merchant with needed transaction information to complete the transaction. Hence, applicant's invention allows for the Credit Holder to approve a transaction requested by a customer. For instance, the customer could be a minor having a parent's credit card. When the child tries to use the parent's card, the parent (through the communication device) is notified of the pending transaction and the parent must authorize the transaction through the communications device.

Claim 1 exemplifies this transaction:

1. A system for facilitating commercial transactions between a consumer and a supplier of goods and services at a point of sale which transactions are authorized by a credit holder comprising:

a credit holder communications device [E.G. CELL PHONE] including a memory device for prestoring transaction information in a database, said credit holder communications device being operable by the credit holder [BANK'S CUSTOMER] for generating transaction information data and transaction authorization;

a consumer communications device [E.G. SMART CARD] for establishing a communications link between the consumer and the supplier of goods and services, said consumer communications device generating a consumer request to said credit holder communications device;

a transaction approval device {E.G. FINANCIAL INSTITUTION COMPUTER} in communications with the supplier of goods and services and the consumer requested credit holder communications device for receiving transaction requests from the supplier of goods and services initiated by the consumer utilizing said consumer communications device and for receiving transaction information data and authorization from said credit holder [BANK CUSTOMER] communications device; and

said transaction approval device upon receipt of transaction information data and transaction authorization, transmitting approval to the supplier of goods and services to complete the transaction initiated by the consumer utilizing said consumer communications device.

For applicant, the credit holder is not a bank, but a bank customer. Davis does not discuss or suggest having a bank of financial intermediary contact a credit holder [e.g. bank customer) though a credit holder communications device to request transaction authorization. Hence, Davis cannot anticipate claim 1-6.

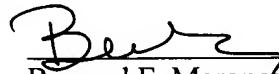
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**CONCLUSION**

Applicant believes the claims are in order for allowance and requests that claims 1-6 pass to issuance.

Respectfully submitted,

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I hereby certify that this correspondence is being deposited with The United States Postal Service in an envelope addressed to: Mail Stop AMENDMENTS, Commissioner of Patents, P.O. Box 1450, Alexandria, VA 22313-1450 on this 16<sup>th</sup> day of December, 2005.

